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SWOT ANALYSIS OF HALAL DESTINATIONS IN NORTH SUMATRA

¹⁾Lila Bismala, ²⁾Hasrudy Tanjung, ³⁾Dewi Andriany

^{1,2,3)} Economic and Business Faculty, University Of Muhammadiyah Sumatera Utara, Indonesia

Email: lilabismala@umsu.ac.id

Abstract

Tourism is one of the driving forces of the economy. Tourism involves the flow of goods, services, and the biggest people in the world, and proves the existence of globalization. The increase of Muslim population is causing in increase the proportional of Muslim tourists. This situation changed the concept of tourism, becoming Islamic or halal tourism, which provided many facilities for Muslim tourists.

This study intends to conduct a SWOT analysis of halal destinations in North Sumatra, considering that many destinations in North Sumatra are in areas with a majority non-Muslim population. This certainly gives a feeling of discomfort for Muslim travelers. The strength-opportunity strategy is develop halal management system for all activities in tourist destinations by providing halal food and beverages, halal accommodation, halal guaranteed facilities, ensuring safety. The weakness-opportunity strategy is provide halal guarantees for all infrastructure facilities in tourist destinations with certification and government involvement. Strength-threat strategy include making a halal management system policy, educating local people to be involved, conducting intensive promotions. The Weakness and threat strategy includes providing infrastructure facilities that show halal tourism and providing easy access to tourist destinations.

Keywords: *halal destination, SWOT analysis*



A. Introduction

The tourism industry is a large international industry with enormous growth potential. (Khan, Haque, & Rahman, 2013) Tourism is a popular global recreational activity and an important source of economic income for many countries. (Liu, Li, Yen, & Sher, 2018) The tourism industry is widely accepted as one of the main sources of economic growth and Islamic tourism has been seen as a new tourism business concept that emerged globally. (Suid, Nor, & Omar, 2018) Tourism involves the flow of goods, services, and the biggest people in the world, and the most visible expression of globalization. (Reisinger, 2009) Tourism activities are able to revive the economy of a region, so this activity is a very important economic activity. The island of Bali in Indonesia is the development of tourism in developing countries. Since tourism began to grow in the 1960s, a large amount of work has been created there. (Khan et al., 2013)

Increasing of Muslim population in Indonesia has a significant impact on the number of Muslim tourists. Muslim tourism segment shows remarkable growth from year to year. (Suid et al., 2018) Consistent growth in this market segment has become a global trend in the tourism industry. (Jaelani, 2017) This situation changed the concept of tourism, becoming Islamic or halal tourism, which provided many facilities for Muslim tourists. Halal tourism is a concern to attract Muslim tourists.

Changes in new consumer values have created demand for new products and provided a driving force for the development of new types of tourism. (Reisinger, 2009) Muslim tourists as consumers of the tourism industry certainly want comfort and tranquility in traveling, not violating sharia. Religion plays an important role in the development of travel for centuries and has influenced the way people spend their free time. Cultural and religious heritage with a diversity of races, ethnicities, languages and customs has become the potential for tourism development. The term religious tourism is growing along with the development of the global economy of Islam, then changed to the term sharia tourism and in recent years has shifted the term to halal tourism. (Jaelani, 2017)



Islamic tourism can be identified with participants of the activity (ie Muslims), location (i.e. Islamic goals), products (i.e. accommodation, food and drink), dimensions (economic-religious-culture), values (i.e. compliance) and production process management services (i.e. marketing and ethics). Islamic tourism is one of the most important resources, especially in Muslim countries that have rich and diverse heritage resources. (Suid et al., 2018) The availability of those attributes will provide comfort and tranquility in Muslim tourism activities.

In globalization, the Islamic economy has continued to grow and requires companies to provide products and services that meet the needs of religious-based consumers. Consumer appetite for Halal products and services has rapid development in the consumer goods sector and retail services, which in turn has triggered the need for halal ecosystems. Halal ecosystems can provide further support in the form of regulatory initiatives, economic incentives and marketing programs in most OIC member countries. (Nisha & Iqbal, 2017)

The growth of the Muslim travel market, Muslim-friendly tourism is an important marketing problem of the tourism industry. Islamic tourism is a niche market specifically intended to encourage reciprocal visits among Muslim countries. Attitudes towards the attributes of Islamic destinations, are access, communication, environment and service; and which has been further divided into 11 sub-criteria which are accommodation, Muslim visitor arrivals, airport facilities, access to prayer rooms, halal food & guarantee options, family-friendly destinations, Muslim travelers and public safety, awareness and range of air connectivity, Muslim travel needs, ease of communication, and visa-free. (Liu et al., 2018)

North Sumatra is one of the tourism destinations in Indonesia that provides a variety of destinations based on culture, nature and culinary. The potential for attraction is supported by the availability of amenities such as places of worship in each destination. Muslim tourists are easy to find a place of worship (prayer) while doing tourist activities in the city of Medan. However, freedom and comfort and cleanliness are still many that



need to be addressed if applying the halal concept in Medan City tourism. (Suparmin & Yusrizal, 2018)

In some tourist destinations in North Sumatra, tourists still find it difficult to find halal culinary, because there is no guarantee from official institutions. This inconvenience is compounded by anxiety when walking, because many animals that are illegitimate in Islam (dogs) roam so Muslim tourists are afraid of being unclean. This inconvenience causes tourists not to enjoy their visit. Tourism should turn on the economy in the destination community, but in this case, tourists will not be free to enjoy culinary food because of doubts and worries about halal and illegitimate products to be consumed.

The study of halal destinations is very important, considering that it can boost the country's economy, because tourism involves the flow of goods, services, and the biggest people in the world. Halal in Islam is a guarantee of cleanliness, hygiene, security of all products and services provided to consumers. SWOT analysis of halal destinations in North Sumatra will be carried out as a basis for formulating strategies for halal destinations.

B. Literature Review

The tourism industry is increasingly competitive, so it must be supported by innovation as one of its success factors. Several countries and businesses in the Asia Pacific region are expected to increase attention for halal tourism and began to take the initiative to become Muslim-friendly destinations. Travel agents can target Muslim travelers by adjusting halal tours for Muslim tourists; availability of halal food, travel plans tailored to prayer times, visits to mosques and Muslim tour guides. (Battour & Ismail, 2015)

Some developed countries such as Queensland, Hong Kong and Japan have seriously developed halal tourism that focuses on services, hotels and restaurants. The growth of halal tourism as seen in New Zealand and Australia shows Muslims prefer to visit non-Muslims. (Suesilowati & Ekawati, 2017) Tourism is a large sector in the Malaysian economy. Malaysia is a major tourist destination among ASEAN



countries. Malaysia has made efforts to call itself an Islamic and halal center in recent years. Malaysia's strategy in targeting the Muslim market, after the September 11 attacks, Malaysia has moved more aggressively to take advantage of the Muslim market, making good efforts through large-scale campaigns and small businesses. Malaysia's Muslim Friendly Tourism has surpassed the food and beverage sector, which includes halal logistics, halal fashion, and strong encouragement from other regions in the country. Islamic tourism is not limited to religious purposes and is not exclusive to or within Muslim countries. (Eddahar, 2018)

Four factors of Islamic norms and items of halal tourism practices include worship facilities, Halalness, general Islamic morality, alcoholic drinks and free from Gambling. It was emphasized that the availability of Islamic norms and practices related to tourism in tourist destinations contributed to tourist satisfaction Muslim. (Battour & Ismail, 2014) The main principles of halal tourism (Dewi S & Durrotul F, 2018) include: halal food, no liquor (containing alcohol), no pork products or other unclean food sources, no discotheques, male staff for male guests, and female staff for female guests, appropriate entertainment, worship room facilities (Mosque or Mushalla, which is gender separate, Islamic clothing for staff uniforms, the availability of the Al Qur'an and worship equipment (prayer) in rooms, Qibla instructions, art that does not depict human form, toilets positioned not facing the Qibla, Islamic finance, hotels or tourism companies others must follow the principles of zakat. The six dimensions perceived by Muslim customers include quality, price, emotional value, social value, Islamic physical attribute values and the value of Islamic non-physical attributes that have a positive effect on Muslim consumer satisfaction.(Eid & El-Gohary, 2015) The growing awareness of halal among non-Muslims presents an unique opportunity to present Islamic ethical principles to a larger population through expanding the definition of halal brands. (Said, Hassan, Musa, & Rahman, 2014)

Suesilowati & Ekawati, 2017 summing up several strategies related to halal tourism. Strength-opportunity strategies include: preparing tourist



destinations, worship facilities, halal food restaurants, family hotel / motel travelers, activities related to halal food, halal tourism, Muslim consumers. Serve customers very well and improve it with a good marketing strategy. Strategy weaknesses-opportunity include: establishing a safe travel environment, ensuring flight and visa connectivity to halal tourist destinations, reducing human error with professional human resources, and implementing government policies on the grand design of the culture entirely by optimizing existing potential. Strength-threat strategies include: preparing and promoting tourist destinations, communication facilities, worship facilities, halal food restaurants, family hotel / motel for travelers. Conduct a conference, workshops, seminars and other educational activities related to religion, halal food, halal travel, Muslim consumers in an effort to increase knowledge of human resources towards religion, recognizing the potential of Halal Tourism destinations and its development and able to produce a guidebook for tourists who visit Halal Tourism destinations, and develop tourism destinations according to government policy on Halal Tourism. Weakness-threat strategies include: a general understanding of Halal Tourism, implementation of government policies, setting up tourist destinations, maintain infrastructure, and professional human resources.(Suesilowati & Ekawati, 2017)

C. Research Methode

This research is qualitative research, where data collection is done through in-depth interviews with respondents, which are Muslim tourists. Data extracted are strengths, weaknesses, opportunities and threats to the emergence of halal destinations. Data collected will be mapped in the SWOT matrix. The SWOT procedure has been used in many planning and development situations as a tool for organizing and interpreting information. (Collins-kreiner & Wall, 2007)



D. Results Finding

Data collection by in-depth interviews was conducted on 45 Muslim tourists who traveled to tourist destinations in North Sumatra, namely Lake Toba and Berastagi. The SWOT matrix of tourist destinations in North Sumatra is as follows:

	INTERNAL	STRENGTH	WEAKNESS
		<ol style="list-style-type: none"> 1. Nature and religious based destinations 2. Hospitality of local residents 3. Community economic capacity 4. The beauty of North Sumatra tourist destinations 5. The policy of North Sumatra agrotourism development 	<ol style="list-style-type: none"> 1. Doubt about the culinary halal provided by the local community 2. Lack of worship facilities at tourism destination 3. Lack of facilities for cleaning and ablution (places and water)
EXTERNAL	OPPORTUNITY	Strategy S-O	Strategy W-O
		<ol style="list-style-type: none"> 1. With halal guarantees, it will attract more tourists, especially Muslims 2. There are no entrepreneurs with a Halal management system 3. The population of Indonesia is 	<ol style="list-style-type: none"> 1. Creating and developing a halal management system for all activities in tourist destinations 2. Providing halal guarantees on all infrastructure facilities in tourist destinations with certification 3. Government involvement



predominantly Muslim		
WEAKNESS	Strategy S-W	Strategy W-T
1. Malaysia has already implemented a halal destination, supported by cheaper ticket prices	Make a halal management system policy, and educate local people to be involved	Providing infrastructure for easy access to tourist destinations
2. Community attitudes that may not be fully supportive	Conduct intensive promotions Professional human resources	
3. Potential natural disasters in several North Sumatra tourist destinations		
4. Accessibility is relatively difficult		

E. Discussion

The strength-opportunity strategy that can be done is develop halal management system for all activities in tourist destinations by providing halal food and beverages, halal accommodation, halal guaranteed facilities, ensuring safety. The value of Islamic attributes influences the willingness of Muslim consumers to buy tourism products.(Eid & El-Gohary, 2015) If the halal tourist destination manager has fulfilled Islamic attributes, then consumers will be satisfied and the opportunity to return is very large.

The weakness-opportunity strategy is to provide halal guarantees for all infrastructure facilities in tourist destinations with certification. This is not easy, because certification certainly requires testing, which of course



requires costs. Because halal tourism has a huge impact on the economic growth of a region, halal certification is one of the responsibilities of the local government. The local government must be able to facilitate the implementation of halal certification.

Strength-threat strategy include making a halal management system policy, and educating local people to be involved, conducting intensive promotions. As a service industry involving the flow of goods, services, and the biggest people in the world, tourism, especially halal tourism, will certainly have implications for various things. This forms a value chain, where halal guarantees will start from upstream, and continue to be ensured until the products / services arrive at consumers, supported by professional human resources. To implement a halal management system, local communities must be educated because tourism certainly involves local communities. Local community hospitality is a force in managing halal tourism, but it must be ensured that the community understands Islamic principles, so as to provide comfort and assurance to tourists when visiting these destinations. Promotion must be carried out intensively, to attract more tourists. Currently the promotion is done with social media, because it is more effective, especially with the testimony of tourists who have visited Berastagi and Lake Toba.

The Weakness and threat strategy includes providing infrastructure facilities that show halal tourism and providing easy access to tourist destinations. The infrastructures are places of prayer, availability of clean water, cleanliness of bathrooms and freedom from worries will be unclear from various sources. Access to tourist destinations in North Sumatra is still relatively difficult because the roads are still not good, inadequate transportation. This needs support from the local government. However, if it is managed by the private sector, it must be ensured that the surrounding community will receive benefits so that they can improve people's lives.



F. Conclusion

1. The strength-opportunity strategy is develop halal management system for all activities in tourist destinations by providing halal food and beverages, halal accommodation, halal guaranteed facilities, ensuring safety.
2. The weakness-opportunity strategy is provide halal guarantees for all infrastructure facilities in tourist destinations with certification and government involvement.
3. Strength-threat strategy include making a halal management system policy, educating local people to be involved, conducting intensive promotions.
4. The Weakness and threat strategy includes providing infrastructure facilities that show halal tourism and providing easy access to tourist destinations.

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